

**USAID/Honduras**  
**ANNUAL REPORT FY 2003**

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## **A. Program Level Narrative**

### **Program Performance Summary:**

Background: Honduras is at a critical transition period that will determine the level of its participation in the global economy and the quality of life of its citizens. Decisions are being made now that will affect Honduras' ability to attract the trade and investment needed for sustained economic growth, the participation of its citizens in democratic processes, the quality and availability of its education and health care services, and the sustainability of its natural resource base. USAID continues to have a vital role in helping Honduras make the most of this transition period.

President Ricardo Maduro's administration, now entering its second year, is confronting significant internal and external challenges that are hampering "good faith" efforts to deliver promised development transformation. Honduras' political and economic transformation is impeded by a narrow economic base, concentrated ownership of assets, limited foreign and domestic investment, corruption, high population growth, and low human capacity levels. A weak judiciary has limited ability to protect civil and commercial rights, or cope with high crime rates and human rights violations. Honduras' social indicators are among the worst in the world with poverty rates of 79 percent (4.2 million people) of the total population, an annual population growth rate of 2.6 percent, an infant mortality rate of 34 per 1,000, a high prevalence of HIV/AIDS (1.9 percent of the adult population and 50 percent of the reported AIDS cases in Central America), chronic malnutrition (33 percent of children under 5 years), average education levels of adults of 5.3 years, and a rapid deterioration of freshwater, coastal, and forest resources. Honduras' development progress is frequently disrupted by severe droughts and floods. These natural disasters, coupled with exogenous world economic shocks, prevent Honduras from breaking the poverty cycle and achieving political stability and broad-based economic growth.

The World Bank currently estimates that Honduras' per capita gross domestic product in 2001 was around \$942. External debt in December 2001 was \$4.3 billion, approximately 70 percent of its annual GDP. Fortunately, the government has not had to service its debt owed to the Paris Club countries since March 1999, due to a three year debt service moratorium and debt relief in the wake of Mitch. The Paris Club extended this moratorium throughout 2002, but may end it in 2003, particularly in light of the recent IMF decision to declare Honduras off track with their current Poverty Reduction Growth Facility (PRGF) program. As a result, the GOH has decided to postpone the Consultative Group meeting in February with no new date given. The IMF estimated that the GOH will lose around \$240 million this year because the third year of the current PRGF was not approved. The IMF also recommended that the GOH review and revise its PRSP budget for next year that they were planning to fund with HIPC debt relief funds instead of paying its international creditors.

Despite these setbacks, the government realizes that the country has to become more competitive to attract investment, spur growth, and generate revenue to provide quality social services, such as schools, hospitals, public health clinics, water systems, and a fair judicial system. This year the government formed a Presidential Competitiveness Commission and developed a national trade strategy to prepare for the Free Trade Agreements with Central America and the United States (CAFTA) and the WTO.

U.S. national interests in Honduras include: (i) U.S. ability to export goods and services to Honduras to increase U.S. economic prosperity through more jobs at home; (ii) supporting investment and economic growth in Honduras to increase the number of potential customers for U.S. businesses, reducing the flow of illegal immigrants, decreasing the pressure for greater law enforcement resources, and providing for broader citizen support for democracy; and (iii) consolidation of GOH civilian-controlled military, police, and legal institutions to help protect U.S. investments, and reduce the impact of international crime and illicit narcotics activities on the U.S.

Donor Relations: Donor coordination has been excellent, especially since Hurricane Mitch and the formation of the G-15 to monitor the government's reconstruction and transformation program. USAID has played a key role in assisting G-15 efforts at the level of Ambassadors and Representatives, Directors of the bilateral and multilateral development agencies, and other groups to closely coordinate with the

government and civil society. Overall development assistance disbursed to Honduras totaled about \$200 million in 2002, excluding debt relief. The United States, Japan, and Sweden are the largest bilateral donors, while Spain provides a large amount of their bilateral assistance in loans. The other bilateral donors and their principal areas of focus include Japan (public infrastructure and agriculture), Sweden (statistics, justice and human rights, and social programs); Spain (judicial reform and decentralization), Germany (agriculture and education); Canada (forestry and rural development), United Kingdom (rural development), Italy (irrigation), Holland (rural development and housing), and the Swiss (rural water projects). Multilateral donors include the Inter-American Development Bank with a very diversified portfolio of projects valued at \$460 million, the World Bank (education, land tenancy, and health), the IMF, the European Union (rural water infrastructure and food security), and the United Nations agencies (UNDP, FAO, WFP, UNICEF, IFAD). With funding from bilateral donors, the United Development Program (UNDP) has developed the Forum to Strengthen Democracy in Honduras that works closely with civil society, political party leaders, and donors and coordinates the national program for HIV/AIDS. Additionally, Honduras has successfully secured \$42 million for a five-year AIDS, TB, and malaria program from the newly established Global Fund.

**Challenges:** To obtain sustained increases in economic growth Honduras must become sufficiently competitive to gain the benefits of freer and more open trade. For this to happen, Honduras must diversify, increase productivity and create linkages between agricultural production in rural areas to relatively higher value processing and marketing enterprises in urban centers. For example, while agriculture is the major contributor to Honduras' economy, agricultural productivity in Honduras is among the lowest in Central America. This low productivity reflects inappropriate technology and the limited capabilities of the Honduran worker in all sectors of the economy.

Systemic poor quality education and limited access to secondary and vocational education, especially in rural areas, affects productive employment, income, and full participation in economic processes.

The health systems in Honduras remain weak, with centralized decision making and ineffective administration incapable of dealing with serious challenges that include high fertility and rapid population growth, urbanization, malnutrition, significant maternal, neonatal, and child mortality and illness, and high rates of HIV/AIDS, malaria, dengue, and tuberculosis infections.

Respect for human rights, rule of law, and a well functioning justice system, essential for good governance and economic development, are still far from the reach of the average Honduran. Hondurans do not have a justice system that resolves conflicts in accordance with clearly established and respected legal norms. The influence of special interests represents a direct challenge to the application of the rule of law and is eroding the public's confidence in the democratic system and equal protection. The property rights system, for example, fails to provide security for investors who may find that their land titles are easily and fraudulently disputed or invalidated. Citizens and investors cannot count on receiving a fair hearing in court and are subject to a legal system that often does not respect its own laws.

Combined, these daunting and persistent development challenges have contributed to the growing disappointment felt by many Hondurans that democracy has failed to deliver on economic and social expectations. Collapsing democracies, economic deterioration, lost trade and U.S. jobs, increased human misery and poverty, and burgeoning illegal immigration across the borders are threats that are all too real. If Honduras is unable to curb its social and economic degeneration, U.S. interests will be seriously impacted at great cost to our own economy.

**Key Achievements:** USAID achieved considerable success during the past year in policy reform, expanding infrastructure to support economic diversification, and promoting an enabling environment conducive to increased international trade and investment. We saw significant improvements in health and education indicators, implementation of important judicial reforms and increased capacity of local government to address the needs of their constituents.

1. **Economic Growth:** USAID's policy activities in 2002 achieved the following important results: (i) passage of the Administrative Simplification Law to simplify business start-up procedures; (ii) preparation

of a first draft of the National Competition Law to restrict monopolies and promote fair competition. In trade capacity building (TCB), USAID has provided training and information to the public and private sectors on the impact of free trade agreements with Canada and the United States. In addition, with financial assistance from USAID/G-CAP, a trade advisor from the Secretariat of Economic Integration for Central America (SIECA) has worked throughout the year with the Honduran Ministry of Trade in preparation for the U.S.-Central American Free Trade Agreement (CAFTA) negotiations.

In agriculture, despite the decline in commodity prices, erratic weather conditions and the global recession, overall sales and exports of non-traditional products, assisted by USAID through the work of the Agribusiness Development Center (CDA), increased by more than US\$6.2 million in 2002. During the first 22 months of implementation, CDA clients had a 120 percent increase in local and export sales, a 50 percent increase in employment and up to 300 percent increase in incomes amongst beneficiaries. The Dairy Enterprise Initiative implemented by Land O'Lakes provided technical assistance and training to 25 producer groups in key milk producing departments for organizing and operating 28 additional Milk Collection Centers (MCC) that will generate about \$10 million in overall benefits.

In 2002, USAID provided business development services to over thirty businesses; these firms provide 17,724 person/months of direct full-time employment and 1,395 person/months of indirect full-time equivalent employment. The Honduran Artisans Catalyzing Economic Revitalization (HACER) activity, carried out by Aid to Artisans, is enhancing the capacity of the craft entrepreneurs in business management and export marketing of high quality products and also increasing production and productivity. HACER has provided technical assistance to more than 1,891 artisans (73 percent women), and is currently exporting products from seven export partners.

In 2002, USAID-supported micro-finance institutions (MFIs) disbursed \$48.2 million to some 113,100 active clients (79.5 percent women). This represents 43 percent of the total 258,187 micro and small enterprises in Honduras. An evaluation of the activity was conducted in July-August 2002. The evaluation findings indicate that the MFIs have made genuine improvement of their performance in line with projections. In addition, USAID is assisting the National Banking and Insurance Commission (CNBS) to establish a supervisory body and to train MFI staff.

2. Environment: In late FY 2002, USAID/Honduras executed two important actions to initiate the integrated resource management program. In August, USAID brought back the USGS team responsible for the installation of 23 satellite telemetry hydrological stations to make all stations operational. The USGS also prepared a two-year training program which will be executed in 2003 and 2004 through a PASA Agreement.

3. Health: Overall performance was excellent in most components of the program. Condom sales under the AIDS social marketing program increased by over 60 percent and sales by ASHONPLAFA increased by 20 percent. Technical assistance, training, financial and management support will be provided to 15-20 Honduran NGOs working with communities of high HIV prevalence to enhance behavior change, counseling and HIV testing, and increased condom use to prevent transmission. Family planning practice continued to grow, increasing by 3 percent nationally following exceptionally high-growth years in 2000 and 2001 and by 50 percent in the high-poverty, high-need regions where USAID has concentrated its program support. Following the Agency designation of Honduras as an AIDS priority country, USAID used the first \$1 million plus up for FY 2002 to expand the condom social marketing program, organize a behavioral sentinel surveillance (BSS) study, and complete the procurement process for the new AIDS umbrella NGO.

4. Rule of Law: The new Criminal Procedures Code (CPC) - the cornerstone of the rule of law program - went into full effect on February 20, 2002 providing the key foundation for reforming the Honduran criminal justice system. A new Supreme Court took office in January 2002, under a revised selection process with civil society participation, in compliance with the December 2000 Constitutional Amendment. The new Supreme Court, the Supreme Court President, and the Interinstitutional Commission for Criminal Justice have demonstrated strong leadership and commitment to reform and are addressing corruption and competence issues in the judiciary. The pilot criminal courts in Tegucigalpa and San Pedro Sula have

installed innovative systems for case tracking and court administration, and replication of these pilot court systems has begun in criminal courts in Comayagua, Siguatepeque, Tela, El Progreso, Puerto Cortes, and Choluteca. More than 25 trials have taken place in the pilot courts under the new CPC, with the active participation of all key players and their clear commitment to implementing the new procedures and making the system work. Approximately 130 oral trials have taken place around the country. The Medical Forensics Directorate of the Public Ministry has provided reliable scientific evidence in oral trials. Much of this evidence has been developed based on scientific equipment provided by USAID.

FOPRIDEH, our principal civil society partner, along with a coalition of civil advocacy organizations, has carried out public awareness campaigns and focused dialog with the government in order to influence public policy, such as work regarding a proposed constitutional amendment which would curtail Supreme Court authority. Under a program element with the law faculties of two Honduran universities, law students have organized seminars and conferences on legal topics including the new CPC, as well as a moot court competition among Honduran universities.

5. Education: USAID's activities achieved several important results during CY2002. EDUCATODOS completed the piloting of the 8th grade and had 10,453 students enrolled in 7th and 8th grades and 76,318 students enrolled in grades 1-6 during the year. The program fell somewhat short of the target of 80,000 grade levels passed, achieving 75,938 grade levels passed (94.9 percent of the target). The vocational centers built with a combination of Hurricane Reconstruction Program and BEST funds were completed and equipped. These centers along with the existing centers in the CADERH network enrolled 3,478 students of which 1,467 graduates were employed (97.8 percent of the target of 1,500 graduates employed). Save the First Cycle reduced repetition in grades 1-3 in Comayagua by 50 percent and increased student achievement by 26 percent. The Let's Learn Math Program reached 79 percent of first graders in the country, 65 percent of all second graders, and 33 percent of all third graders (this was the first full year after the third grade pilot). Student achievement in math improved by 18 percent as a result of the program.

6. Municipal Development: USAID's implementing counterparts continue to be leaders in the decentralization and municipal development sector. This has been clearly demonstrated by the incoming administration's desire to consult and coordinate closely with USAID partners. For example, AMHON, FUNDEMUN, and UNITEC participated actively in the development of the national Program for Decentralization and Local Development (PRODDEL) as well as in the development of national guidelines for municipal training. AMHON also organized three workshops that brought together congressional deputies and mayors to ensure that municipal interests are reflected in four bills before Congress that affect municipal autonomy and authorities (the Water and Sanitation Framework Bill, the Forestry Framework Bill, the Territorial Regulation Bill, and the Water Resources Bill). While this is a process that will extend through the next legislative session, significant advances have been made in getting concerns from the municipalities incorporated into the draft bills.

First- and second-tier municipalities have vastly increased their capacity to raise their own revenue (average annual increases of 3-5 percent), improved access to potable water (85 percent of populations in first- and second-tier municipalities), sanitation (38 percent of populations in first- and second-tier municipalities), as well as integrated services (water/sanitation/refuse collection). The experience gained by USAID-funded activities, which have focused on first- and second-tier municipalities, provides an opportunity to replicate assistance to a much larger number of third-tier municipalities. Our future efforts will expand our activities with third-tier municipalities where poverty and unmet capacity needs are greatest. We will also improve local capacities in the new areas of decentralization.

Implementation of the Water and Sanitation Infrastructure activity has taken longer than expected. Activities are still being executed in order to achieve the goals and expected objectives of the Municipal Development Activity (MDA) and complete construction of needed health infrastructure. The Honduran Social Investment Fund (FHIS) has completed 29 urban systems, consisting of five combined water/sanitation systems, 12 sewer systems, 11 water systems and one drainage system. During the first quarter of calendar year 2003, the ongoing FHIS subprojects will be completed, including four sewer systems, one water system and one drainage system. The implementation of completed and ongoing

subprojects will benefit over 600,000 people in 20 municipalities. Between 32 and 37 new subprojects will be executed under U.S. Army Corps of Engineers' (USACE) administration and contracting authority, depending on subproject costs. Implementation of these subprojects will start in January 2003 and is expected to be completed by June 2004. Altogether, the implementation of these 60-plus subprojects will improve the lives of over one million different direct beneficiaries living in 35 municipalities.

**Environmental Compliance:** Environmental Compliance - 22 CFR 216 Reviews

IEEs

Amendment to Fintrac CDA. ETD was a Negative Determination, in LAC-IEE-02-01

Amendment to Improvements in Family Health. ETD was a Negative Determination, in LAC-IEE-02-12

Amendment to Strengthen Rule of Law. ETD was a Categorical Exclusion, in LAC-IEE-02-15.

Development Credit Authority (DCA). ETD was a Negative Determination, in LAC-IEE-02-48

Amendment to Transparency and Accountability. ETD was a Categorical Exclusion, in LAC-IEE-02-54.

EAs None.

Planned IEEs for FY03

Amendments with LOP increases requiring Supplemental IEEs are planned for the following activities: BEST, Central American Mitigation Initiative (CAMI), Family Health, Municipal Development, Strengthen Rule of Law, and Production and Policy Enhancement Program (PROPEP). In addition, five new SOAGs will be signed with the GOH, with their respective IEEs.

On-Going Environmental Monitoring

RECAP/Rural Road Reconstruction (HRP) - local contractor CEAH carried out continuous monitoring of environmental compliance for every stretch of road being rebuilt. Corrective measures were implemented to mitigate negative impacts found.

Urban Water and Sanitation - GOH partner FHIS and local environmental contractor submit for Mission Environmental Officer (MEO) concurrence an environmental site review for each project. Honduran Social Investment Fund (FHIS) and Cognizant Technical Officer (CTO) monitor environmental compliance and several corrective measures have recently been taken.

Honduran Environmental Protection Fund - Grantee Fundacion VIDA submits for MEO concurrence an environmental site review of each sub-granted project, and VIDA staff and CTO are monitoring compliance through regular field visits.

Rural Water Systems - CTO makes regular field visits to monitor GOH partner SANAA's (Honduran water authority) compliance with environmental impact checklist for each new or repaired water system.

PROPEP - Contractor is monitoring farmers' application of integrated pest management and safe use of pesticides. No pesticides are being purchased using Mission funds. CTO is providing follow-up monitoring.

Health/Medical Wastes - CTO is monitoring measures taken by GOH partner hospitals and health centers for adequate medical waste disposal, including provision of incinerators and needle disposal apparatus.

PL-480 Food Aid - Grantee submits for MEO concurrence annual progress reports on environmental compliance under their roads and agricultural program.

## Environmental Monitoring of HRP

Upper Watershed Rehabilitation - Institutional Contractor monitored compliance with environmentally sound conservation practices by grantees.

Housing Construction - Grantees submitted for MEO concurrence an environmental site review for each project, and CTO monitored compliance.

River Basins/Flood Protection Infrastructure - US Army Corps of Engineers (USACE) complied with proposed environmental mitigation measures on all construction. A non-PSC Mission contractor monitored compliance, and corrective actions were taken.

BEST/Construction of Vocational Centers and School Reconstruction - Under BEST, grantee submitted for MEO concurrence an environmental site review for each vocational center. Similarly, for construction of vocational centers under HRP and BEST funding, the contractor DevTech submitted for MEO concurrence a site review for each new site. CTO monitored compliance through field visits, and corrective actions were taken.

NGO Cross-Cutting Activity - Partners submitted for MEO concurrence an environmental site review for each housing and sanitation project. CTOs monitored compliance.

## Country Closeout & Graduation:

### D. Results Framework

#### **522-001 Economic reactivation meeting the needs of the poor**

- IR 1.1 Improved Policy Environment Conducive to Poverty Reduction through Economic Growth
  - IR 1.1.1 Consolidated and Improved Economic Policies to Reduce Poverty
  - IR 1.1.2 Expanded Culture of Open Markets and Entrepreneurship
- IR 1.2 Improved market access and competitiveness by the poor
  - IR 1.2.1 Expanded Business and Financial Services to Micro and Small Businesses
  - IR 1.2.2 Expanded Agricultural Extension and Financial Services to Agricultural Producers

#### **Discussion:**

#### **522-002 Improved Management of Watersheds, Forests, and Protected Areas**

- IR 2.1 Improved management of protected areas
- IR 2.2 Improved Execution of Proper Forest Management Practices

#### **Discussion:**

#### **522-003 Sustainable improvements in family health**

- IR 3.1 Increased use of quality reproductive health services, including family planning
- IR 3.2 Sustained use of child survival services via health reform
- IR 3.3 Increased Use of STI/AIDS Prevention Practices
- IR 3.4 Increased use of malaria, dengue, and TB prevention and control services
- IR 3.5 Improved household food security in Title II target areas

#### **Discussion:**

#### **522-004 Strengthened Rule of Law and Respect for Human Rights**

- IR 4.1 New Criminal Procedures Code (CPC) Effectively Implemented
- IR 4.2 Independent, Apolitical and Effective Judiciary



- IR 4.3 Independent, Apolitical and Effective Public Ministry
- IR 4.4 Broader, more effective civil society participation in justice sector reforms and monitoring
- IR 4.5 Changed Mindset Regarding Rule of Law

**Discussion:** USAID/Honduras is proposing to modify the existing Rule of Law Results Framework to include a new IR: Improved financial management, accountability, and auditability of public funds as a transition mechanism between the Hurricane Reconstruction Program and the new strategic plan.

#### **522-005 Critical hurricane reconstruction needs met**

**Discussion:**

#### **522-006 Improved Opportunity to Obtain Basic Education and Vocational Skills**

- IR 6.1 More Hondurans completing quality primary education
- IR 6.2 More Hondurans Completing Quality Middle School Programs
- IR 6.3 More Hondurans acquiring marketable skills for employment

**Discussion:**

#### **522-007 More responsive and effective municipal government**

- IR 7.1 Strengthened Municipal Government
  - IR 7.1.1 Improved Municipal Administration
  - IR 7.1.2 Restored Municipal Financial Health and Increased Income
  - IR 7.1.3 Sustainable Municipal Finance
- IR 7.2 Improved Citizen Participation in Local Government
- IR 7.3 Improved Coverage of Basic Services and Rehabilitation of Damaged Municipal Infrastructure

**Discussion:**

## Selected Performance Measures - Honduras

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Indicator (all data should pertain to FY or CY 02)	OU Response			Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
Pillar I: Global Development Alliance					
Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?					
522-001 Economic Reactivation Meeting the Needs of the Poor	Yes			Three public/private alliances for \$8.4 million dollars leveraged: 1) Micro and Small Enterprise Development Program (with AVAL, S. A.) to establish a Loan Portfolio Guarantee (LPG) for loans to micro/small entrepreneurs. Leverage: Under the LPG, the subsidy cost to USAID/W is \$206,100, with this investment USAID will leverage up to a \$3.0 million portfolio, of which USAID guarantees 50% or \$1.5 million; 2) USAID supported an alliance with DataCredito, a Honduran/Dominican firm to establish a credit bureau in Honduras. Leverage: \$10,000 in USAID-financed technical assistance intervention reaped a \$400,000 private sector equity investment in Honduras and access to a \$2.0 million computer server and data system in the Dominican Republic; and 3) USAID supported a public/private alliance with the Honduras Sula Dairy to establish a powered milk plant. Leverage: continued USAID-funded technical assistance in the amount of \$1.3 million have led to the establishment of a \$5.0 million powdered milk plant.	Data provided by private firms and partners.
522-003 Sustainable Improvements in Family Health	Yes			ASHONPLAFA (Honduran family planning NGO) supports a network of health and family planning services serving 30% of women throughout Honduras. ASHONPLAFA generates \$3.5 million of it own funding to match \$3.0 million provided by USAID.	Data provided by private firms and partners.
522-006 Improved Opportunity to Obtain Basic Education and Vocational Skills	Yes			FEREMA, EDUCATODOS and the vocational education programs have all developed strong public/private partnerships/alliances. Total funds leveraged in education: \$6,084,000 with \$2,516,000 USAID funding. [FEREMA - \$584,000, CADERH (local NGO support) - \$4.8 million, EDUCATODOS Volunteer Facilitators - \$700,000.]	Data provided by private firms and partners.

522-007 More Responsive and Effective Municipal Government	Yes			USAID/Honduras has entered into a DCA agreement with Banco de Occidente to leverage private funds for municipal sector development. It is expected that \$5,000,000 will be leveraged as a result of a \$500,000 USAID loan guarantee (50% position on loans).	Data provided by private firms and partners.
a. How many alliances did you implement in 2002? (list partners)	8				1) Banco de Occidente/DCA; 2) Micro and Small Enterprise Development Program (MSED Agreement with AVAL, S. A.); 3) Barents/Carana Corporation alliance with DataCredito; 4) Land O'Lake public/private alliance with the Honduran firm Sula Dairy, and 5) ASHONPLAFA (Honduran family planning NGO). Additionally, FEREMA (6), EDUCATODOS (7) and CADERH vocational education programs (8) have all developed multiple strong public/private partnerships/alliances with both firms and individuals.
b. How many alliances do you plan to implement in FY 2003?	4				In addition to on-going alliances, USAID/Honduras plans to enter into one DCA agreement with Banco Atlantida to leverage private funds for municipal sector development. It is expected that \$5,000,000 will be leveraged as a result of \$500,000 as a loan guarantee. USAID is also planning three DCA Agreements with two private banks and a micro-finance institution to establish loan portfolio guarantees (LPG) for loans to micro, small, and medium entrepreneurs. Expected leverage of these three DCA agreements targeting micro/small businesses will total \$5 million as a result of \$300,000 in USAID funds. In addition to these planned public/private alliances, USAID/H will continue to explore the development of "AIDS in the Workplace" programs in U.S.- and Honduran-owned businesses and industries and will actively encourage the expansion of partnerships for both EDUCATODOS and vocational education.
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	22984000				It is anticipated that a total of \$800,000 will leverage almost \$23 million as a result of public/private partnerships.

Pillar II: Economic Growth, Agriculture and Trade

USAID Objective 1: Critical, private markets expanded and strengthened

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

522-001 Economic Reactivation Meeting the Needs of the Poor	Yes			Despite the global recession and the fall in commodity prices, overall sales and exports of non-traditional products assisted by Agribusiness Development Center (CDA) increased by more than US\$ 6.2 million from 2001 to 2002. Exports of the five main seasonal crops (cucumber, squash, watermelon, honeydew and mango) increased by almost US\$ 4 million.	Partner reporting systems. Data are considered reliable.
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged					
Did your program achieve a significant result in the past year that is likely to contribute to this objective?					
522-001 Economic Reactivation Meeting the Needs of the Poor	Yes			The 13 milk collection centers (MCCs) established by Land O'Lakes have generated 741 jobs with earnings of \$853,125/year. This activity is directly benefitting 18 small producers per MCC for a total of 234 producers. Each producer is receiving an additional income well over \$5,000, as a result of the premium price for cooled milk.	Partner reporting systems. Data are considered reliable.
USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable					
Did your program achieve a significant result in the past year that is likely to contribute to this objective?					
522-001 Economic Reactivation Meeting the Needs of the Poor	Yes			USAID-supported micro-finance institutions (MFIs) provided loan services to 113,100 active clients (79.5% women). This represents 43% of the total 257,422 micro and small enterprises in Honduras. Implemented by Aid to Artisans, the Honduran Artisans Catalyzing Economic Reactivation Activity (HACER) has generated export sales of handicrafts of \$265,000. ATA estimates that HACER is successfully contributing to maintaining or generating 115 jobs (most for individuals with very low previous earning potential) with earnings of \$164/month.	Partner reporting systems. Data are considered reliable.
USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded					
Did your program achieve a significant result in the past year that is likely to contribute to this objective?					
522-006 Improved Opportunity to Obtain Basic Education and Vocational Skills	Yes			In CY 2002, 77,618 grade levels were passed (67.9% of students successfully passed grade levels) in the EDUCATODOS program and 1,467 graduates of USAID-supported vocational centers were employed.	Data are from program reporting systems and are considered to be reliable.
a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	237,942 Male	251,752 Female	489,694 Total		Data are provided on a calendar year basis through the Ministry of Education reporting system and program grantee (FEREMA). The data are considered to be reliable.
b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	270,478 Male	285,630 Female	556,108 Total		Data are provided on a calendar year basis through the Ministry of Education reporting system and program grantee (FEREMA). Data are considered to be reliable.
USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,					

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

522-002 Improved Management of Watersheds, Forests, and Protected Areas	Yes			Under the Honduras Environmental Protection Fund, HEPF, approximately 57,000 hectares of parks and reserves were brought under improved management during the rating period, bringing the total area under management to over 258,000 hectares in 28 declared protected areas, which greatly exceeds the target of 215,000 hectares.	Data are from partner reporting programs and national data collections services and are considered reliable.
a. Hectares under Approved Management Plans (2002 actual)	258062				
b. Hectares under Approved Management Plans (2003 target)	280000				

### Pillar III: Global Health

#### USAID Objective 1: Reducing the number of unintended pregnancies

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

522-003 Sustainable Improvements in Family Health	Yes			3% increase in family planning practice. 50% in 2 health program focus regions.	Data are considered reliable and has been collected over last 10 years
Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	50.8%				DHS 2001

#### USAID Objective 2: Reducing infant and child mortality

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

522-003 Sustainable Improvements in Family Health	No				
Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	90 Male	90 Female	Total		DHS 2001
Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	31.4 Male	27.9 Female	Total		DHS 2001
Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	18 Male	17 Female	Total		DHS 2001
Were there any confirmed cases of wild-strain polio transmission in your country?	No				

#### USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

522-003 Sustainable Improvements in Family Health	Yes			Over 10% increase pre-natal care in high need regions targetted by USAID (covers over 20% of population)	Data are from Ministry of Health reporting system and are considered reliable.
Percentage of births attended by medically-trained personnel (DHS/RHS)	61.7%				DHS 2001

#### USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

522-003 Sustainable Improvements in Family Health	Yes			Condom sales through social marketing programs increased 160%	Direct reporting from social marketing agency sales. Data are considered very reliable.
a. Total condom sales (2002 actual)	2700000				ASHONPLAFA and PADCO (Partners) data and reports
b. Total condom sales (2003 target)	3000000				
National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)	1.4%				Prevalence studies by the Minsitry of Health. Data are considered reliable.
Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)	3				DHS 2001 and prevalence studies by MOH. Data are considered reliable.
Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)	17 Male	18 Female	35 Total		16.7/male 18.3/female 17.5/total DHS 2001
Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)	26%				DHS 2001
Number of Clients provided services at STI clinics	27420				MOH Annual Reports and Work Plans. Data are considered reliable.
Number of STI clinics with USAID assistance	40				MOH Annual Reports and Work Plans. Data are considered reliable.
Number of orphans and other vulnerable children receiving care/support					
Number of Orphans and Vulnerable Children programs with USAID assistance					
Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children					
Number of USAID-supported health facilities offering PMTCT services	40				Project reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months	17457				Project reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
Number of women with known HIV infection among those seen at PMTCT sites within the past year.	58				Project reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)	33				Project reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.

Number of individuals reached by community and home-based care programs in the past 12 months					
Number of USAID-assisted community and home-based care programs					
Number of clients seen at Voluntary Counseling and Testing (VCT) centers	29370				Project reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
Number of VCT centers with USAID assistance	40				Project reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment	125				Project reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
Number of USAID-assisted ARV treatment program					
a. Number of individuals treated in STI programs (2002 actual)	17,320 Male	10,100 Female	27,420 Total		Project reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
b. Number of individuals treated in STI programs (2003 target)	17,500 Male	10,500 Female	28,000 Total		
a. Is your operating unit supporting an MTCT program?	N/A				DHS 2001
b. Will your operating unit start an MTCT program in 2003?					
a. Number of individuals reached by community and home based care programs (2002 actual)	Male	Female	Total		
b. Number of individuals reached by community and home based care programs (2003 target)	Male	Female	Total		
a. Number of orphans and vulnerable children reached (2002 actual)	0 Male	0 Female	0 Total		NGO reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
b. Number of orphans and vulnerable children reached (2003 target)	Male	Female	Total		
a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	75 Male	75 Female	150 Total		Partner reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	100 Male	100 Female	200 Total		Partner reporting systems and MOH Annual Reports and Work Plans. Data are considered reliable.
USAID Objective 5: Reducing the threat of infectious diseases of major public health importance					
Did your program achieve a significant result in the past year that is likely to contribute to this objective?					
522-003 Sustainable Improvements in Family Health	Yes			Proportion of government health units providing DOTS TB treatment increased beyond 90%.	Data are from the Ministry of Health reporting system and are considered reliable.
a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)					

b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)					MOH Annual Reports and Work Plans. Data are considered reliable.
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	90%				
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	90%				
Pillar III: Democracy, Conflict and Humanitarian Assistance					
USAID Objective 1: Strengthen the rule of law and respect for human rights					
Did your program achieve a significant result in the past year that is likely to contribute to this objective?					
522-004 Strengthened Rule of Law and Respect for Human Rights	Yes			With USAID assistance, a new Criminal Procedure Code came into effect and oral trials commenced in June 2002. 26 trials were held in USAID-sponsored pilot courts during the remainder of FY 2002. Almost 200 trials and more than 2500 initial and preliminary hearings were held in courts around the country. The Public Ministry disposed of almost 100 percent of cases through a process similar to plea bargaining, thus helping to prevent the new system from becoming backlogged. 45,000 of the 125,000 cases identified in March 2000 as remaining from the old system were closed through a special USAID supported project.	Data are from partner reports and are considered reliable.
USAID Objective 2: Encourage credible and competitive political processes					
Did your program achieve a significant result in the past year that is likely to contribute to this objective?					
522-007 More Responsive and Effective Municipal Government	Yes			In order to assist in the development of political process supporting media campaigns and lobbying efforts, a radio, television and written media campaign was developed during the two weeks prior to elections to encourage citizens to exercise their right to vote.	Data are from partner reporting programs and national data collections services and are considered reliable.
USAID Objective 3: Promote the development of politically active civil society					
Did your program achieve a significant result in the past year that is likely to contribute to this objective?					
522-004 Strengthened Rule of Law and Respect for Human Rights	N/A			The SROL program contributed to the development of politically active civil society through support to FOPRIDEH, a federation of 70 NGOs. FOPRIDEH used a variety of mechanisms including direct dialog with the government and public awareness campaigns to promote a civil society policy agenda. FOPRIDEH and civil society organizations were successful in ensuring implementation of a new, depoliticized, and participatory mechanism for appointment of Supreme Court judges.	Data are from partner and mission reports and are considered reliable.



522-007 More Responsive and Effective Municipal Government	N/A			<p>The MD Project contributed to the development of politically active civil society by encouraging attendance at open town meetings. There were 231 average participants at town meetings for medium-sized municipalities and 205 for small. More than 100 open town meetings took place in 41 municipalities. Monitoring mechanisms were established to ensure compliance by municipalities to a legal mandate of five town meetings per year.</p> <p>Data are from partner reporting programs and national data collections services and are considered reliable.</p>
USAID Objective 4: Encourage more transparent and accountable government institutions				

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

522-004 Strengthened Rule of Law and Respect for Human Rights	Yes			<p>The Criminal Procedure Code which came into effect this year introduces oral trial proceedings and modern criminal procedures. Oral proceedings, as opposed to the written proceedings that took place under the old system, significantly increase the transparency of judicial decision making and of the criminal justice system as a whole.</p> <p>Data are from partner and mission reports and are considered reliable.</p>
522-007 More Responsive and Effective Municipal Government	No			<p>Technical assistance and training was provided to local government authorities and civil society to support social auditing, transparency and accountability activities. 3,312 people were trained in 31 municipalities. Average attendance of each training effort was 40 people in medium-sized municipalities and 93 people in small municipalities.</p> <p>Data are from partner reporting programs and national data collections services and are considered reliable.</p>

USAID Objective 5: Mitigate conflict
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Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

522-004 Strengthened Rule of Law and Respect for Human Rights	Yes			<p>The SROL project helped to mitigate conflict by working towards a criminal justice system that is based on fair and more effective processes. The milestone was implementation of the new Criminal Procedure Code. As the public gains confidence in the courts, disputes are more likely to be resolved peacefully through the legal process, rather than through private and violent means, as frequently occurs currently.</p> <p>Data are from partner and mission reports and are considered reliable.</p>
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Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total	
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USAID Objective 6: Provide humanitarian relief
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Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Number of beneficiaries			
Crude mortality rates	%		
Child malnutrition rates	%		

Did you provide support to torture survivors this year, even as part of a larger effort?

Number of beneficiaries (adults age 15 and over)

Number of beneficiaries (children under age 15)

Male	Female	Total	
Male	Female	Total	